

## Message Text

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PAGE 01 MTN GE 01720 01 OF 02 081909Z  
ACTION STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 FEA-01 AGRE-00  
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01  
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05  
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01  
AF-08 ARA-06 EA-07 NEA-10 /131 W  
-----082047Z 075661 /44

P R 081801Z MAR 77  
FM USDEL MTN GENEVA  
TO SECSTATE WASHDC PRIORITY 2299  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LUXEMBOURG  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION EC BRUSSELS UNN

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 1720

ACTION STR

E.O. 11652: N/A  
TAGS: ETRD MTN EAGR  
SUBJECT: EC AGRICULTURAL NOTIFICATION

REF: MTN GENEVA 1625

1. SUMMARY: EC TODAY FILED NOTICE QUESTIONING CONFORMITY  
OF US AGRICULTURAL NOTIFICATIONS TO GROUP AGRICULTURE  
PROCEDURES. EC MOTIVES UNCLEAR, BUT THEY ARE BLAMING US FOR  
STARTING NEW ROUND OF RECRIMINATION. US MTN DEL INCLINES  
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TOWARD FIRM BUT LOW-KEY RESPONSE. END SUMMARY

2. LUYTEN TELEPHONED AMBASSADOR THIS NOONTIME TO ADVISE EC  
HAS TRANSMITTED TO CHAIRMAN OF GROUP AGRICULTURE A  
COMMUNICATION (FULL TEXT SEPTTEL), THE GIST OF WHICH IS TO  
COMPLAIN THAT THE US NOTIFICATION OF AGRICULTURE PRODUCTS  
UNDER GROUP NTM PROCEDURES, RATHER THAN GROUP AGRICULTURE

PROCEDURES, DOES NOT CONFORM TO DECISIONS TAKEN BY GROUP AGRICULTURE AND TO ASK THAT THIS MATTER BE PLACED ON THE AGENDA OF THE NEXT GROUP AGRICULTURE MEETING. THE TEXT DOES NOT (AS DID AN EARLIER DRAFT) SEEK RESOLUTION OF THE ISSUE AT THE NEXT MEETING.

3. LUYTEN SAID THE US WAS "PROVOCATIVE" IN FILING MTN/NTM/W/82/ADD 1, WHICH NOTIFIED CERTAIN MEASURES INVOLVING IMPORTS OF AGRICULTURAL PRODUCTS INTO SWITZERLAND, JAMAICA, BRAZIL, AUSTRALIA, ALGERIA, AND VENEZUELA. THE EC CLAIMS THAT THESE NOTIFICATIONS SHOULD HAVE BEEN MADE UNDER THE GROUP AGRICULTURE PROCEDURES. LUYTEN CLAIMED THE US SHOULD HAVE KNOWN THAT THE EC COULD NOT LET THIS NOTIFICATION PASS WITHOUT CHALLENGE AND THAT IT WAS THEREFORE DELIBERATELY CALCULATED AS AN AGGRESSIVE STEP BY THE NEW US ADMINISTRATION.

4. AMB. WALKER RESPONDED BY POINTING OUT THAT (A) THE US HAD ALWAYS INSISTED ON ITS RIGHT TO USE FUNCTIONAL GROUP PROCEDURES FOR AGRICULTURAL PRODUCTS AND THE DECEMBER SCENARIO IN NO WAY ALTERED THAT POSITION; (B) WE HAD SOUGHT AGREEMENT ON THE NTM/NDWM PROCEDURES FOR PRECISELY THIS PURPOSE; (C) THE EC CAN COMPLAIN WHEN OUR REPORTS ON AGRICULTURAL DISCUSSIONS ARE FILED WITH THE NTM GROUP PURSUANT TO THE NTM/NDWM PROCEDURES; AND (D) AS TO NOTIFICATIONS WITH THE COMMUNITY, WE HAVE FOLLOWED THE DECEMBER SCENARIO. LUYTEN REPLIED WITH EC LITANY THAT US HAD NOT FULFILLED DECEMBER '75 AGREEMENT, THAT WE HAD NOT SPECIFIED IN THE SCENARIO OUR INTENT TO USE THE NTM/NDWM PROCEDURES FOR AGRICULTURAL PRODUCTS AND THAT, IN ANY EVENT, THE EC SIMPLY COULD NOT LET THE US NOTIFICATION PASS WITHOUT OBJECTION.

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5. LUYTEN GAVE NO HINT, DESPITE PERSISTENT QUESTIONING, OF WHAT RESULTS HE EXPECTED THIS EC INITIATIVE TO ACHIEVE. HE SIMPLY KEPT REITERATING THE PROPOSITION THAT THE EC COULD NOT LET THE US FILING PASS AND THAT RESPONSIBILITY FOR ANY ADVERSE REPERCUSSIONS WOULD BE OURS RATHER THAN THEIRS BECAUSE WE HAD STARTED THE AGGRESSION WITH OUR FILING AND THEY HAD MERELY RESPONDED.

6. THE GENEVA EC REPS DO NOT REALLY APPEAR TO HAVE THEIR HEARTS IN THE EC COMPLAINT. (LUYTEN AS MUCH AS ADMITTED THIS AND OTHER EC DELS HAVE SEPARATELY ACKNOWLEDGED THAT "OF COURSE" WE RETAINED THE RIGHT TO NOTIFY AGRICULTURAL PRODUCTS UNDER THE NTM PROCEDURES. THEIR REAL COMPLAINT IS THAT WE ACTUALLY WENT AHEAD AND DID IT--AND IN A WAY THAT OTHER DELS NOTICED AND WHICH THE EC NOW FINDS EMBARRASSING.) CONVERSELY JACQUOT IN BRUSSELS, WHO SEEMS TO HAVE COOKED THIS THING UP, SEEMS TO BE LABORING UNDER A SERIOUS (MAYBE EVEN DELIBERATE) MISAPPREHENSION. SINCE HE WAS NOT

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ACTION STR  
IN ON THE FINAL NEGOTIATIONS, IT IS POSSIBLE HE ACTUALLY  
THOUGHT THE US WAS COMPROMISING OUR POSITION. HE IS AT  
LEAST BEHAVING NOW AS IF HE DID AND THIS MAY PARTLY EXPLAIN  
THE COMMISSION'S ATTITUDE.

7. THE CURRENT STATE OF BUREAUCRATIC INFIGHTING WITHIN THE  
COMMUNITY OVER AGRICULTURAL POLICY IS ALOS GERMANE TO ANALYSIS  
OF EC MOTIVES. GUNDELACH AND JENKINS ARE DISTRUSTED BY THE  
HARDLINERS; CURRENT UNPOPULARITY OF SOME OF THE POLICIES  
(E.G., SUBSIDIZED BUTTER SALES TO RUSSIA) HAS INCREASED  
SENSITIVITIES TO CRITICISM. THE US HAS FORCEFULLY PRESSED  
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REGULAR GATT CONSULTATIONS ON MIPS AND MFDM MIXING; FORTHCOMING STATEMENTS BY SECRETARY BERGLAND SUGGEST AT LEAST THE POTENTIAL FOR US/EC AGREEMENTS ON AGRICULTURE WHICH EC HARDLINERS MIGHT WANT TO SABOTAGE; AND THERE IS PENT-UP BUREAUCRATIC FRUSTRATION AT NOT YET HAVING A NEW US TRADE TEAM IN PLACE TO TRY AND CHARM. ALL OF THESE ELEMENTS MAKE PLAUSIBLE AN EFFORT AT THE BUREAUCRATIC LEVEL IN THE EC TO RE-IGNITE THE PROCEDURAL BATTLES OF THE PAST FEW YEARS AND POISON THE ATMOSPHERE. THE EC MAY FIGURE IT WILL SECURE A PROCEDURAL ADVANTAGE IN TAKING THIS POSITION NOW WHICH, IF NEED BE, IT CAN CLIMB DOWN FROM IF IT LATER BECOMES EXPEDIENT TO DO SO IN SHOWING GOOD FAITH TO THE NEW TEAM, ONCE THEY ARE ABOARD.

8. WALKER REMINDED LUYTEN THAT THE NEXT MEETING OF GROUP AGRICULTURE WAS SCHEDULED FOR THE WEEK OF 28 MARCH WITH THE UNDERSTANDING THAT IT WAS TO BE CONFINED TO THE SUBJECT OF THE APPLICABILITY OF THE STANDARDS CODE IN AGRICULTURE. LUYTEN RETORTED THAT THE US FILING HAD CHANGED THE SITUATION AND THE EC WOULD NOW INSIST UPON THIS ADDITIONAL MATTER BEING ON THE AGENDA. WHEN AMBASSADOR WALKER ASKED IF WE SHOULD TAKE THIS TO MEAN THAT EC WOULD BLOCK REVIEW OF THE STANDARDS CODE IN ITS AGRICULTURAL CONTEXT UNLESS SATISFACTION WERE DERIVED ON THIS PROCEDURAL POINT, LUYTEN CLAIMED THAT HE DID NOT KNOW WHAT WOULD HAPPEN; HOWEVER, HE WENT ON TO SAY THAT, IF THE US WERE SO "KEEN" ON SOME THINGS (I.E., STANDARDS), THEY OUGHT TO BE "MORE CAREFUL" ON OTHER THINGS (I.E., AGRICULTURAL NOTIFICATIONS). WE TAKE THIS TO MEAN THAT THE EC MAY WELL CONTINUE TRYING TO HOLD THE STANDARDS ISSUE HOSTAGE TO PROCEDURAL CONCESSIONS IN GROUP AGRICULTURE.

9. OUR INITIAL REACTION IS THAT THERE ARE THREE COURSES OF ACTION FOR THE US TO TAKE BY WAY OF RESPONSE TO THE EC COMMUNICATION: (A) TO FIGHT TO KEEP THE ITEM OFF THE AGENDA; (B) TO LET THE EC MAKE ITS POINT AND THEN CLEARLY AND UNMIS- LIMITED OFFICIAL USE

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TAKABLY, BUT QUIETLY, SIMPLY STATE THAT WE CONSIDER THEIR POSITION WRONG; OR (C) TO MAKE A MAJOR FIGHT ON THE POSITION WHICH THEY ASSERT, AND ON THE FUNDAMENTAL PROCEDURAL DISPUTE WHICH IS AT THE HEART OF THE ISSUE. OUR INCLINATION IS TOWARD OPTION(B). THE EC SEEMS TO HAVE NO PLAN FOR HOW TO PROCEED FROM HERE; THEY CERTAINLY DO NOT EXPECT US TO SURRENDER. THEIR EFFORT, TO EXTEND IT IS PART OF ANY STRATEGY, SEEMS DESIGNED TO CONFOUND THE NEGOTIATIONS BY PROVOKING A DISAGREEMENT. OUR INTERESTS SEEM BEST SERVED BY MAKING IT PLAIN WE BELIEVE THEY ARE WRONG BUT AVOIDING ANOTHER FULL-SCALE BATTLE IF WE CAN. WALKER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURE, MEETINGS, MEETING PROCEEDINGS  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Subject:** EC AGRICULTURAL NOTIFICATION  
**TAGS:** ETRD, EAGR, US, MTN  
**To:** STATE  
**Type:** TE  
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